LNF & IHCIF Calculations Illustration

- FLANDREAU in Aberdeen area -

Given Data

- 1,689 = 1998 user count
- $2,980 = National average cost per person (not including wrap-around costs)
- 30% = % Expenditures on purchased services, 70% = % expenditures in-house
- 91.9% = Cost index for purchasing health care in this geographic area
- 128.3% = Size cost index for in-house costs due to small or large size
- 108.7% = Aberdeen area cost index for health status above or below average

Cost Adjustment Calculations

- $821 per person for purchased services = 30% * 91.9% * $2,980
- $2,676 per person for in-house services = 70% * 128.3% * $2,980
- $3,497 per person total = $821 (purchase) + $2,676 (in-house)
- **$3,802 per person total** adjusted for health status = $3,497 * 108.7%
- **$3,057 per person net cost** = $3,802 - $745 Other resources (M&M&PI)

Existing Expenditures (for 1,689 users excluding wrap-around and collections)

- $989 per person = local IHS allowance (excludes $ for wrap-around)
- $203 per person = expenditures elsewhere in Aberdeen area on behalf of area users
- $54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **$1,246 per person for OU users** = $989 + $203 + $54

LNF Calculation

- **32.8% Gross LNF** = $1,246 (expenditures) / $3,802 total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **40.8% Net LNF** = $1,246 / $3,057 net cost ($3,802 - $745 other)

IHCIF Allocation

- $993,425 = $ to raise LNF% from 40.8% to 60%
- $258,040,100 = aggregate $ to raise all locations to 60%
- 3.488% IHCIF fraction = $9,000,000 fund / $258,040,100 needed
- **$34,651 Allocation** = $993,425 needed for 60% * 3.488% IHCIF fraction

FLANDREAU Unmet Needs

- **$5,162,738 Net Total Need** = 1,689 users * $3,057 net cost
- **$3,058,520 Net Unmet Need** = (100% - 40.8% LNF) * 1,689 users * $3,057 net cost